

**§ 949. Telephone bank receipts; availability for obligations and expenditures**

Any receipts from the activities of the telephone bank shall be available for all obligations and expenditures of the telephone bank.

(May 20, 1936, ch. 432, title IV, §409, as added Pub. L. 92-12, §2, May 7, 1971, 85 Stat. 36.)

**EFFECTIVE DATE**

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

**§ 950. Conversion of ownership, control, and operation of telephone bank**

**(a) Transfer of powers and authority from Secretary of Agriculture to Telephone Bank Board; cessation of Presidential appointees as Board members and reduction in number of Board members; status of telephone bank**

Whenever fifty-one per centum of the maximum amount of class A stock issued to the United States and outstanding at any time after September 30, 1985, has been fully redeemed and retired pursuant to section 946(c) of this title—

(1) the powers and authority of the Governor of the telephone bank granted to the Secretary by this subchapter shall vest in the Telephone Bank Board, and may be exercised and performed through the Governor of the telephone bank, to be selected by the Telephone Bank Board, and through such other employees as the Telephone Bank Board shall designate;

(2) the five members of the Telephone Bank Board designated by the President pursuant to section 945(b)(1)(A) of this title shall cease to be members, and the number of Board members shall be accordingly reduced to eight unless other provision is thereafter made in the bylaws of the telephone bank;

(3) the telephone bank shall cease to be an agency of the United States, but shall continue in existence in perpetuity as an instrumentality of the United States and as a banking corporation with all of the powers and limitations conferred or imposed by this subchapter except such as shall have lapsed pursuant to the provisions of this subchapter.

**(b) Restrictions of section 948(a)(2) of this title inapplicable to loans upon redemption and retirement of class A stock**

When all class A stock has been fully redeemed and retired, loans made by the telephone bank shall not continue to be subject to the restrictions prescribed in the provisos to section 948(a)(2) of this title.

**(c) Congressional review**

Congress reserves the right to review the continued operations of the telephone bank after all class A stock has been fully redeemed and retired.

(May 20, 1936, ch. 432, title IV, §410, as added Pub. L. 92-12, §2, May 7, 1971, 85 Stat. 36; amended Pub. L. 94-273, §2(2), Apr. 21, 1976, 90 Stat. 375; Pub. L. 101-624, title XXIII, §2363(b)(2), Nov. 28, 1990, 104 Stat. 4043; Pub. L. 103-354, title II, §235(a)(11), Oct. 13, 1994, 108 Stat. 3221.)

**AMENDMENTS**

1994—Subsec. (a)(1). Pub. L. 103-354 substituted “Secretary” for “Administrator of the Rural Electrification Administration”.

1990—Subsec. (a)(2). Pub. L. 101-624 substituted “section 945(b)(1)(A) of this title” for “section 945(b) of this title”.

1976—Subsec. (a). Pub. L. 94-273 substituted “September” for “June”.

**EFFECTIVE DATE**

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in sections 943, 944 of this title; title 31 sections 9101, 9108.

**§ 950a. Liquidation or dissolution of telephone bank**

In the case of liquidation or dissolution of the telephone bank, after the payment or retirement, as the case may be, first, of all liabilities; second, of all class A stock at par; third, of all class B stock at par; fourth, of all class C stock at par; then any surpluses and contingency reserves existing on the effective date of liquidation or dissolution of the telephone bank shall be paid to the holders of class A and class B stock issued and outstanding before the effective date of such liquidation or dissolution, pro rata.

(May 20, 1936, ch. 432, title IV, §411, as added Pub. L. 92-12, §2, May 7, 1971, 85 Stat. 37.)

**EFFECTIVE DATE**

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

**§ 950b. Borrower net worth**

Except as provided in subsection (b)(2) of section 948 of this title, notwithstanding any other provision of law, a loan shall not be made under section 922 of this title to any borrower which during the immediately preceding year had a net worth in excess of 20 per centum of its assets unless the Secretary finds that the borrower cannot obtain such a loan from the telephone bank or from other reliable sources at reasonable rates of interest and terms and conditions.

(May 20, 1936, ch. 432, title IV, §412, as added Pub. L. 92-12, §2, May 7, 1971, 85 Stat. 37; amended Pub. L. 103-354, title II, §235(a)(13), Oct. 13, 1994, 108 Stat. 3221.)

**AMENDMENTS**

1994—Pub. L. 103-354 substituted “Secretary” for “Administrator”.

**EFFECTIVE DATE**

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in section 939 of this title.

**SUBCHAPTER V—RURAL ECONOMIC DEVELOPMENT**

**SUBCHAPTER REFERRED TO IN OTHER SECTIONS**

This subchapter is referred to in section 6944 of this title.

**§ 950aa. Additional powers and duties**

The Secretary shall—

(1) provide advice and guidance to electric borrowers under this chapter concerning the effective and prudent use by such borrowers of the investment authority under section 940b of this title to promote rural development;

(2) provide technical advice, troubleshooting, and guidance concerning the operation of programs or systems that receive assistance under this chapter;

(3) establish and administer various pilot projects through electric and telephone borrowers that the Secretary determines are useful or necessary, and recommend specific rural development projects for rural areas;

(4) act as an information clearinghouse and conduit to provide information to electric and telephone borrowers under this chapter concerning useful and effective rural development efforts that such borrowers may wish to apply in their areas of operation and concerning State, regional, or local plans for long-term rural economic development;

(5) provide information to electric and telephone borrowers under this chapter concerning the eligibility of such borrowers to apply for financial assistance, loans, or grants from other Federal agencies and non-Federal sources to enable such borrowers to expand their rural development efforts; and

(6) promote local partnerships and other coordination between borrowers under this chapter and community organizations, States, counties, or other entities, to improve rural development.

(May 20, 1936, ch. 432, title V, § 501, as added Pub. L. 101-624, title XXIII, § 2345, Nov. 28, 1990, 104 Stat. 4029; amended Pub. L. 102-237, title VII, § 703(c), Dec. 13, 1991, 105 Stat. 1881; Pub. L. 103-354, title II, § 235(a)(12), (13), Oct. 13, 1994, 108 Stat. 3221; Pub. L. 104-127, title VII, § 781(b), Apr. 4, 1996, 110 Stat. 1151.)

**AMENDMENTS**

1996—Par. (7). Pub. L. 104-127 struck out par. (7) which read as follows: “administer a Rural Business Incubator Fund (as established under section 950aa-1 of this title) that shall provide technical assistance, advice, loans, or capital to business incubator programs or for the creation or operation of small business incubators in rural areas.”

1994—Pub. L. 103-354 struck out “of REA Administrator” at end of section catchline and substituted “Secretary” for “Administrator” in introductory provisions and par. (3).

1991—Pars. (6) to (8). Pub. L. 102-237 inserted “and” at end of par. (6), redesignated par. (8) as (7), and struck out former par. (7) which read as follows: “review the advice and recommendations of the Rural Educational Opportunities Board as established under section 601(f); and”.

**EFFECTIVE DATE OF 1991 AMENDMENT**

Amendment by Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(8) of Pub. L. 102-237, set out as a note under section 1421 of this title.

**§ 950aa-1. Repealed. Pub. L. 104-127, title VII, § 781(a), Apr. 4, 1996, 110 Stat. 1151**

Section, act May 20, 1936, ch. 432, title V, § 502, as added Nov. 28, 1990, Pub. L. 101-624, title XXIII, § 2345,

104 Stat. 4030; amended Dec. 13, 1991, Pub. L. 102-237, title VII, § 703(d), 105 Stat. 1881; Oct. 13, 1994, Pub. L. 103-354, title II, § 235(a)(13), 108 Stat. 3221, provided for establishment of Rural Business Incubator Fund.

**CHAPTER 31A—TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS**

Sec.	Purpose.
950aaa.	Definitions.
950aaa-1.	Telemedicine and distance learning services in rural areas.
950aaa-2.	<ul style="list-style-type: none"> <li>(a) Services to rural areas.</li> <li>(b) Financial assistance.</li> <li>(c) Recipients.</li> <li>(d) Priority.</li> <li>(e) Maximum amount of assistance to individual recipients.</li> <li>(f) Use of funds.</li> <li>(g) Salaries and expenses.</li> <li>(h) Expediting coordinated telephone loans.</li> <li>(i) Notification of local exchange carrier.</li> </ul>
950aaa-3.	Administration. <ul style="list-style-type: none"> <li>(a) Nonduplication.</li> <li>(b) Loan maturity.</li> <li>(c) Loan security and feasibility.</li> <li>(d) Encouraging consortia.</li> <li>(e) Coordination with other agencies.</li> <li>(f) Informational efforts.</li> </ul>
950aaa-4.	Regulations.
950aaa-5.	Authorization of appropriations.

**TERMINATION OF CHAPTER**

*For termination of chapter by section 1(b) of Pub. L. 102-551, see note set out under section 950aaa of this title.*

**§ 950aaa. Purpose**

The purpose of this chapter is to encourage and improve telemedicine services and distance learning services in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents.

(Pub. L. 101-624, title XXIII, § 2331, as added Pub. L. 104-127, title VII, § 704, Apr. 4, 1996, 110 Stat. 1108.)

**TERMINATION OF SECTION**

*For termination of section by section 1(b) of Pub. L. 102-551, see Termination of Chapter note set out below.*

**PRIOR PROVISIONS**

A prior section 950aaa, Pub. L. 101-624, title XXIII, § 2331, Nov. 28, 1990, 104 Stat. 4017, provided purposes of chapter, prior to the general amendment of this chapter by Pub. L. 104-127.

**TERMINATION OF CHAPTER**

Pub. L. 102-551, § 1(b), Oct. 28, 1992, 106 Stat. 4100, provided that: “Notwithstanding any other provision of law, chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa et seq.), including the amendments made by this section [enacting section 950aaa-5 of this title and amending section 950aaa-4 of this title], shall be effective until September 30, 1997.”